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IAC-D-55/9
Second Draft
26 July 1955

INTELLIGENCE ADVISORY COMMITTEE

Annual Report to the National Security Council
on the Status of the Foreign Intelligence Program
as of 30 June 1955

1. This report has been prepared pursuant to Presidential directive as forwarded to the Director of Central Intelligence by the Executive Secretary, National Security Council, by memorandum dated 1 July 1955. Primary reference has been made to national security policy objectives applicable to the intelligence community as set forth in NSC 5501.
2. The intelligence community was recently investigated by the Clark Task Force of the Hoover Commission. The findings of the Commission, which are presently under advisement, are not covered or commented on in this report. The comments of the organizations reported on are being transmitted separately to the White House in accordance with customary procedure.
3. The report on the clandestine intelligence program is only supplementary to the quarterly oral report of the Director of Central Intelligence to the National Security Council on clandestine operations.

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A. WARNING OF ATTACK

1. Evaluation of US Capabilities

a. We are exploiting all available sources of information and constantly striving to develop new and improved means for advance detection of attack.

b. NIE 11-6-55 concludes (as did the previous estimate: SNIE 11-8-54) that the US could expect possibly as much as six months and not less than 30 days warning of Soviet preparation for full-scale land, sea, and air attack, providing that the Soviets went to full, or nearly full mobilization prior to the attack.

c. The current estimated air capabilities of the USSR have made us less optimistic than we were last year about our ability to give warning of surprise attack. Should the USSR attempt a major surprise air attack against the US from forward bases in 1955, the preparations might be detected, and if they were, would provide a generalized degree of warning of several days, and specific warning of unusual and possibly threatening air activity on the order of 18-24 hours. A reduced scale of attack, involving about 250 aircraft, if accompanied by an extraordinary security effort could be launched as early as 1955 with little or no specific advance warning to US intelligence (apart from that provided by early warning radar).

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d. In the period from now until 1958, the USSR will have a progressively increasing capability for launching one-way attacks on the US from interior Soviet bases. Such a method of attack would probably provide no specific advance warning to US intelligence. For example, by 1958, no specific warning, other than that provided by early warning radar, could be relied upon in event of certain types and scales of surprise attack.

2. The Watch Committee of the IAC

The Watch Committee continues to develop techniques and facilities relating to its mission of providing the earliest possible warning of hostile action by the USSR or its allies. The Watch Committee and its permanent staff, the National Indications Center, moved in January to new and more suitable quarters in the Pentagon. A major focus of the Watch Committee's attention during this period has been the situation in the Formosa Straits area. In dealing with the development of that situation, the Watch Committee has improved its techniques, including the compilation and dissemination to the intelligence community and to overseas commands of an indicator list specifically responsive to the Offshore Islands situation, and has displayed a growing capacity for effective functioning in support of the IAC.

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3. Formosa Straits Coverage

In response to the President's desire for intelligence coverage of the Formosa Straits problem through one intelligence medium for the duration of the critical period, the IAC established an ad hoc Current Intelligence Group. This group, which used the facilities of the National Indications Center and was supported by the entire intelligence community, issued daily reports from 21 March to 6 May. The Group now issues weekly reports supplemented by such special reports as events require.

4. USAF Indications Center

In support of the Watch Committee of the IAC and the National Indications Center, the Air Force has activated, and now operates world-wide on a 24-hour basis, an Indications System keyed to the detection of imminent Soviet/Communist attacks, especially air attack with nuclear weapons. The Air Defense Command, Alaskan Air Command, Far East Air Command, Northeast Air Command and USAF Europe, all have subsidiary indications centers tied in with Washington by "exclusive use" channels of communications for flash transmission of early warning intelligence.

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was declined by the IAC in view of the adequacy of existing communications channels, the present substantial exchange of evaluations, and the processing by the US Indications Center of operational

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6. SHAPE Request for Indications Intelligence

We have noted an increase in the requests from SHAPE for intelligence which could be made available to all National Member representatives. The IAC now has before it a request for intelligence on indications of Soviet military aggression. While the policy of the IAC on release of intelligence to SHAPE has been cautious (though more liberal with respect to the Standing Group), we of course make available to General Gruenther and his US staff officers any intelligence of use to them.

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B. EVALUATION AND ESTIMATES

1. National Intelligence Estimates (NIE)

a. The NSC reaffirmed, with procedural changes, its directive for producing "net evaluations" of the capabilities of the USSR to inflict direct injury on the continental US and key US installations overseas. For the pending study, scheduled to go to the NSC on 1 October 1955, the IAC has produced several estimates keyed to the focal period of mid-1958. These have included "Soviet Gross Capabilities for Attacks on the US and Key Overseas Installations Through Mid-1958," and "Probable Intelligence Warning of Soviet Attack on the US Through Mid-1958." A revision of the Guided Missile estimate has been undertaken but not yet completed; the previous estimate is still generally valid.

b. Intelligence support was also rendered to the NSC on other topics, and of the 30 NIE's published during the last six months, 19 were related to specific NSC papers or policy decisions (compared to 16 of the 24 published during the preceding six months).

c. Special estimates are in process in support of the work of the Special Assistant to the President for Disarmament.

d. The IAC is now surveying the use to which recipients are putting NIE's, in order to determine how these estimates can be made more useful to policy makers.

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2. Basic Intelligence

a. Since the start of the NIS Program^{1/} in 1948, over 2,700 sections have been produced on 87 foreign countries and areas. This represents over one half of the total world coverage, most of which has been on JCS high priority areas. In addition, 82 gazetteers have been published. Again, full attainment of the goal of 8 equivalent NIS per year established for the program was accomplished and it is expected that this rate of production will continue. New elements were produced in response to expanded requirements [REDACTED]

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[REDACTED] for Psychological Warfare and the United States Intelligence Agency programs. There has been gratifying improvement in the NIS instigated collection effort during the past year.

In addition to its production in support of the NIS program, the [REDACTED] has underway a major program for the production of handbooks on foreign armies, covering basic information on these forces, tactical doctrine for their employment, order of battle, and weapons and equipment. Out of 66 such handbooks approved for publication, 21 have been published, including six during the last year. All of the published handbooks are on Sino-Soviet bloc forces, to which priority has been assigned. Nineteen additional handbooks are in various stages of preparation.

^{1/} A policy for CIA reimbursement practices, as applied particularly to the NIS program, is now being considered by the IAC agencies.

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c. In CIA the geographic intelligence effort has continued its support of clandestine operational planning; [REDACTED] 25X1C

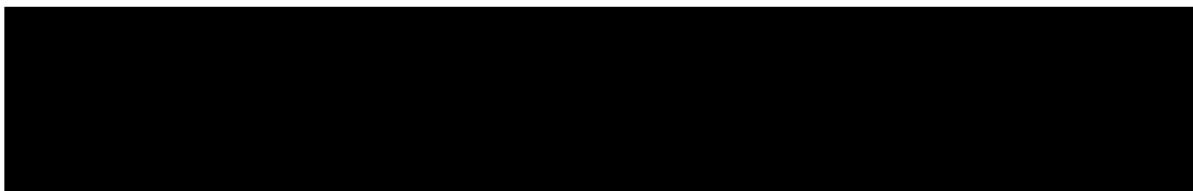
25X1C [REDACTED] and of the NIS Program by the preparation of the military geography and map appraisal elements.

3. Military Intelligence

a. We can report no appreciable change in the adequacy of military intelligence from that described in our last report (NSC 5509, Part 7). Military intelligence is generally adequate to support overall assessments of the military, logistical, industrial and government control strengths of the USSR, Communist China, and the Satellites. It is inadequate to support detailed military plans and operations. Particular areas of concern are: Soviet development, production and employment of weapons and weapons systems; delivery systems, including guided missiles; Soviet air defense; the Sino-Soviet air order of battle, especially of the long-range air force.

b. The acquisition of Soviet Field Service Regulations, dated 1953, which describe tactical doctrine for regiments and battalions enables us to update our knowledge of Soviet postwar modifications of doctrine in this field.

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d. [REDACTED]

have enabled us to get a better picture of the pattern and scope of the Soviet program for modernizing its ground weapons. Confirmation of some weapons production estimates has been possible with the issue of new weapons to Soviet forces in East Germany.

4. Political Intelligence

a. Resources and capabilities for production of political intelligence on the Sino-Soviet Bloc remain unchanged and continue to make possible a reasonably accurate interpretation of political developments. Events leading up to the Summit Conference have occasioned a painstaking review of the motivations and intent of Soviet policy. The Conference and its aftermath may by the time of the next report have furnished a test of the accuracy of our interpretations.

b. The program for analyzing problems of the underdeveloped areas in the free world continues as a major focus of attention, together with the study of vulnerabilities in those areas to Communist infiltration and action. (Negotiations are in progress between State and CIA to strengthen the production of intelligence on international Communism.) We have also concentrated on attitudes and reactions in the Free World to the development of nuclear weapons, with increasing emphasis upon the question of the force and extent of neutralism. As a single event, the Bandung Conference in preparation, in progress, and in retrospect

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received the most thoroughgoing attention. Instructions have been

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5. Economic Intelligence

a. The trend in the intelligence effort directed toward the economy of the Sino-Soviet Bloc is reflected in the improved quality and reliability of intelligence reporting and in increased orientation of this intelligence to priority national intelligence objectives. Useful advances have been made in techniques for the study of long-run Soviet economic growth and for estimates of Bloc capabilities. During the past year, special emphasis has been given to the costing and economic evaluation of individual Soviet military programs, including guided missiles and air defense programs; to Soviet economic penetration of underdeveloped areas; and to Soviet defense expenditures. In the study of Soviet agricultural capabilities and their implications, Bloc consumer goods production, and other economic fields of national intelligence

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interest, inadequacies in data and in analytical capabilities are being corrected. However, a significant gap continues to exist in

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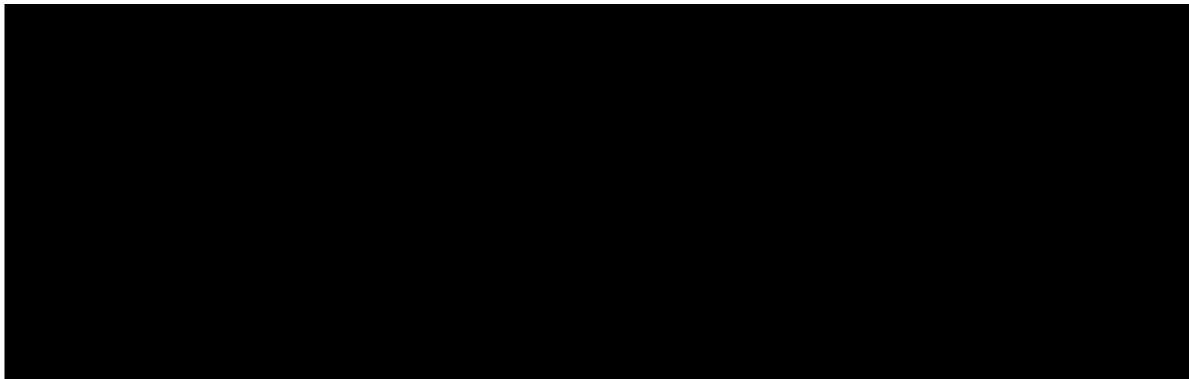
 closely identified with priority military uses.

b. The economic research effort on Communist China is improving as the availability of data increases. Special attention has been given to the analysis of the nature and importance of Sino-Soviet relationships to the economic growth potential of Communist China. Outputs of certain basic industries are reasonably well established but further research is required on over-all consumption and on agricultural and transportation capabilities.

g. Economic intelligence continues to support the US program for underdeveloped areas. It has given extensive support to the President's program for peaceful uses of atomic energy, with particularly thorough-going studies of  A comprehensive examination has been made of communist economic penetration in South Asia.

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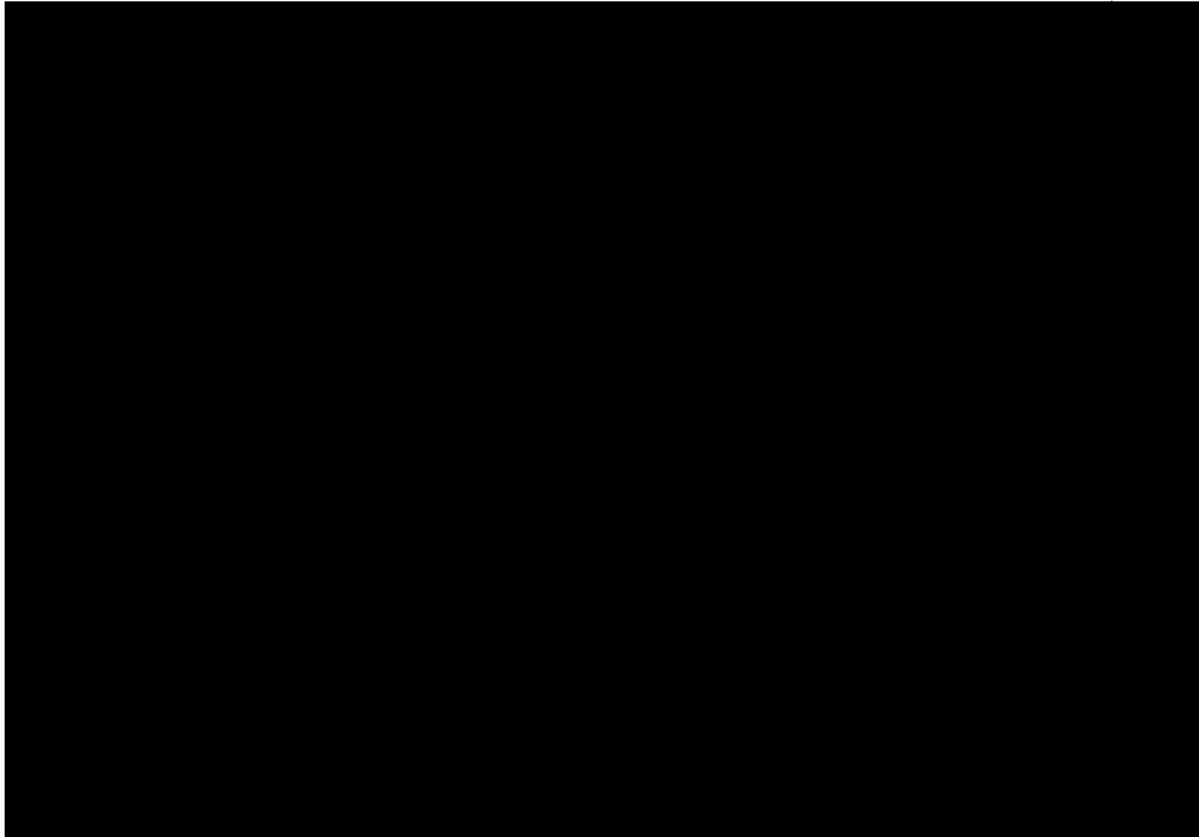


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6. Scientific and Technical Intelligence

a. A statement of National Scientific and Technological Intelligence Objectives in the light of revised National Intelligence Objectives (DCID 4/4) is under preparation. Through intensified research our understanding of Soviet basic scientific capabilities and scientific manpower has improved.

b. Atomic Energy. Significant information on both technical administrative phases of the Soviet atomic energy program has been obtained during the first half of 1955.

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c. Guided Missiles. In view of the importance to the national security of the threat from guided missiles, the IAC is establishing an ad hoc committee to survey and evaluate the status of the nation's guided missile intelligence effort on the Sino-Soviet Bloc. The Committee is to report fully to the IAC by 15 October, but is charged

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with making interim reports if, during the course of the survey, deficiencies are revealed which require immediate corrective action.

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[REDACTED] will assist in this survey. In the light of limited, but perhaps significant information recently acquired, we have undertaken a review of the national estimate, completed last fall, of the Soviet guided missile program. The revised estimate is scheduled for completion in November.

d. Biological Warfare. Based upon the experience gained in producing the first community-wide estimate in this field, a joint study of critical deficiencies in biological warfare intelligence and means for their elimination was completed in April. We now have a

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tive evidence of the nature of the Soviet BW program has yet to be obtained.

e. Electronics. On the basis of additional information, we have revised upward our estimate of Soviet electronics capabilities. The specific items of information include evidence on new native Soviet equipment including radars, relocation and modernization of already known electronics systems [REDACTED]

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[REDACTED] amount of information is also being received concerning airborne intercept (AI) radar. The capabilities

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of the Soviet broadcast jammer system were to a large extent established.

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[REDACTED] intelligence conference on electronics was held in November, 1954.

f. Meteorological Intelligence. A survey of critical deficiencies in meteorological intelligence on the Sino-Soviet Bloc is under review by an IAC ad hoc subcommittee.

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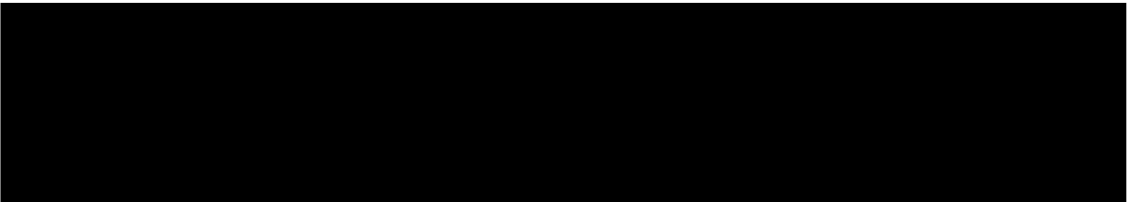
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4. Aerial Reconnaissance

a. Reconnaissance operations continue to be performed within the framework of policy considerations of other than an intelligence nature. However, the potential of this means of collecting intelligence is recognized and concepts for the peacetime employment of aerial reconnaissance are changing rapidly. As a result, a high priority is being given to the development of aerial reconnaissance capabilities.

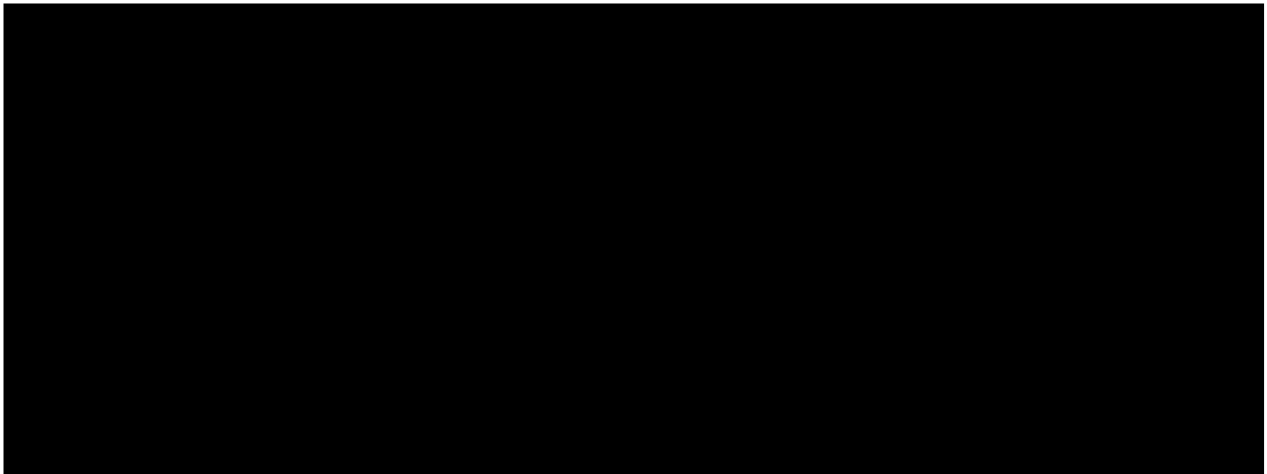
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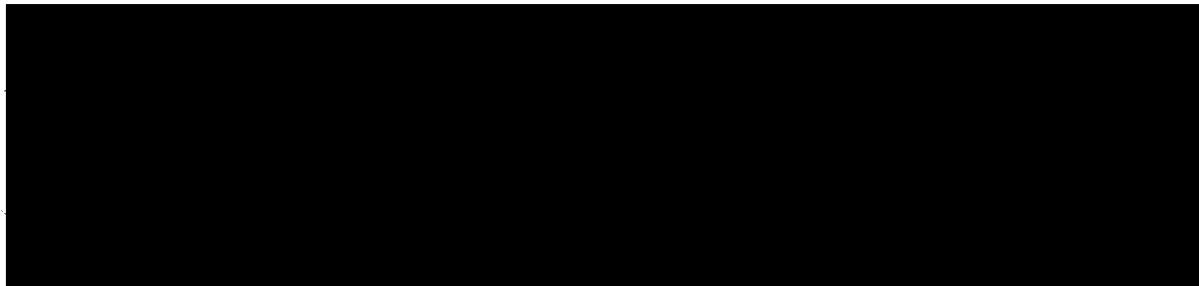
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5. Exploitation of Defectors

Defectors continue to constitute an important source of intelligence. In addition to the intrinsic value of the information they bring with them, defectors are permanent calibrated sources and are available at all times to evaluate new information as it appears. In recent months the flow of defectors has been normal in numbers but outstanding or specialized sources have been relatively few as compared with the past year.

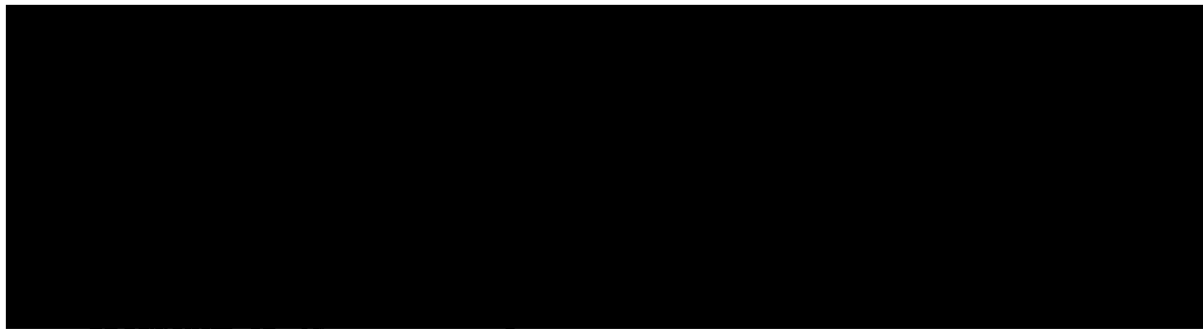
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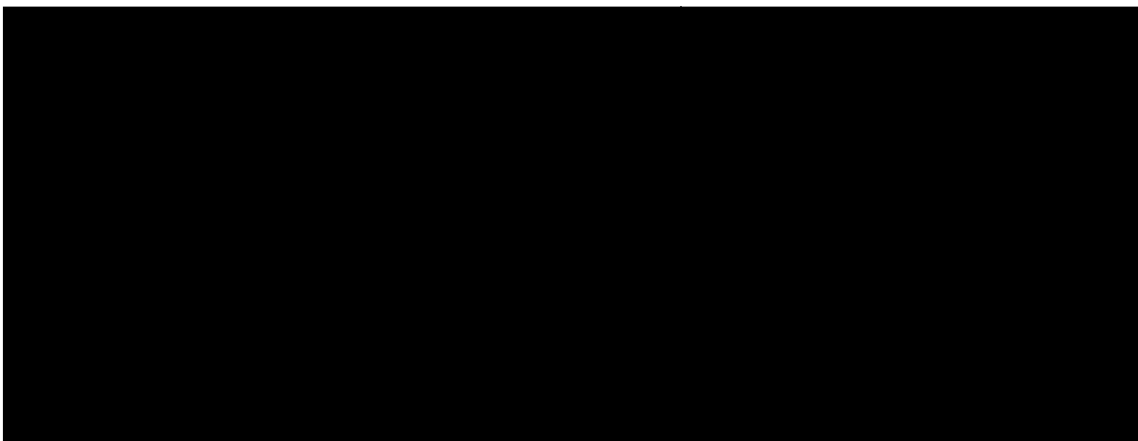
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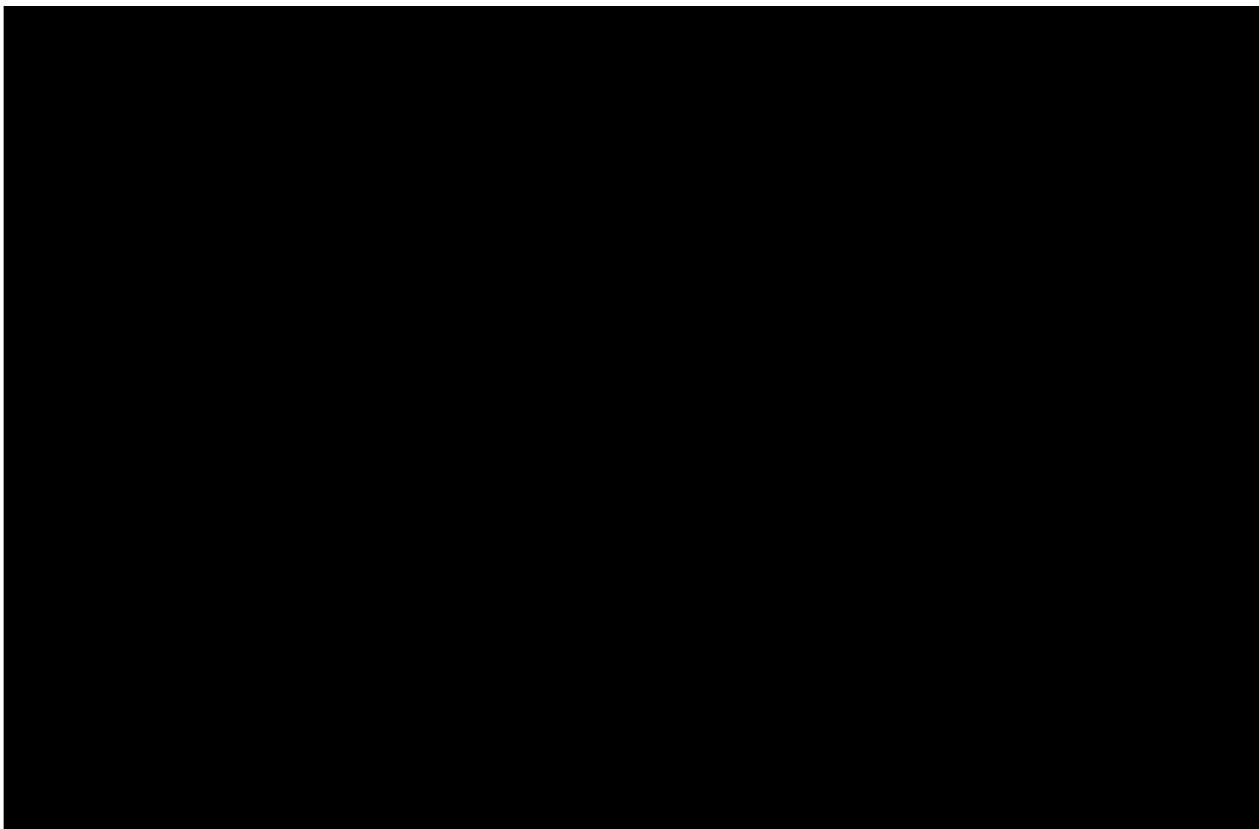
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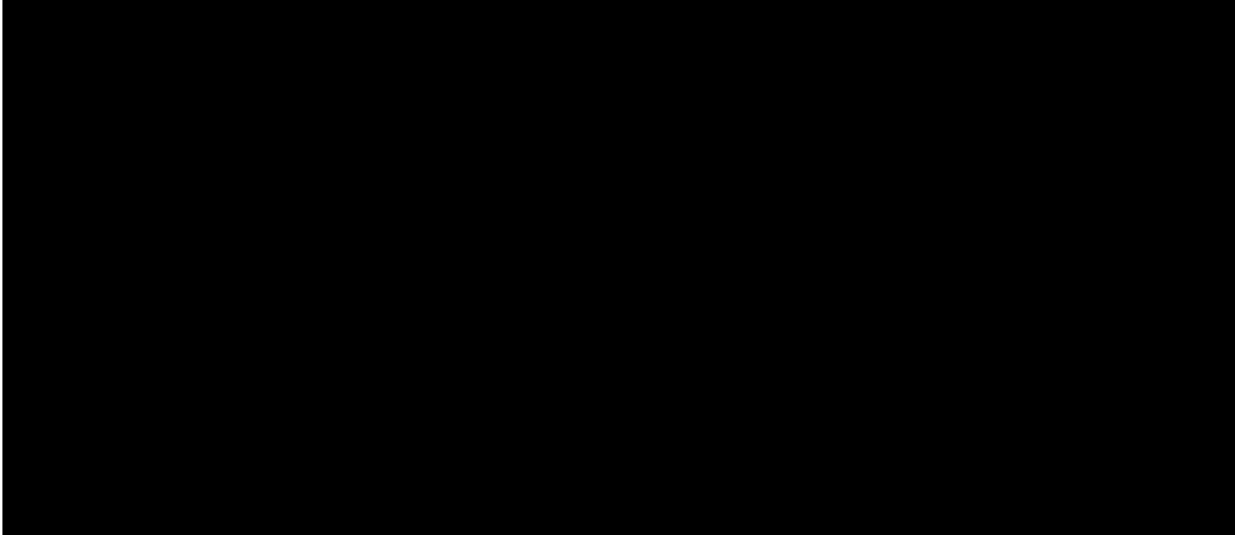
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12. Coordination of Information Processing

An IAC ad hoc committee on information processing is at work on the increasingly complex problem of handling data within the intelligence community. The committee is now studying existing systems; it will next make studies and recommendations concerning such matters as a common classification scheme; uniform publishing, processing and dissemination procedures; and efficiency of storage and retrieval of intelligence information.